



# Shall We Collectivize America?

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Address to Sunday Evening Club

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## SHALL WE COLLECTIVIZE AMERICA?

**W**HEN YOU ask me to discuss "Shall We Collectivize America?" I would draw your attention to the actions of a builder when he wishes to build a bridge. What is the first thing the engineer does? He surveys the terrain to be spanned; he considers the type of soil in which he can fix his abutments; and most of all, he considers the blocks upon which he is to rely for that structure. He computes all of these various and necessary findings in terms of theoretical and applied mechanics; he has these computations carefully checked before he makes the first move. Now it might be that this engineer would personally prefer a bridge composed of pastel-pink shaded cardboard, but a bridge so constructed would soon collapse, and the engineer, who constructed such a bridge would soon find himself assessed with civil damages and criminal penalties. The only engineer in modern society who draws his blueprints and implements them without any regard whatsoever for the fundamental characteristics of the building materials to be used is the social engineer, the one who proceeds to design the ideal society without let or hindrance, safe and secure in the knowledge that when his structure fails as it always has failed and always will fail when based upon ignorance of, or indifference to, basic and unalterable human characteristics, there is no law under which he can be punished and no force which will deter him from once again plying his trade and selling his wares to a gullible and unsuspecting public.

And so I suggest that you and I take a look at you and me as the building blocks of society, and see if we cannot determine some fundamental principles upon which the good society may reasonably be erected. I submit that nowhere in the past has any very serious attempt been made to analyze man with respect to his basic biological characteristics.

And friends, I would like to say at the outset, when I talk about basic biologic characteristics, and when I refer to laws of nature, I refer with proper reverence to the laws of God. For any Scientist realizes that the wonders and the marvels of nature cannot be explained except by reference to a First Cause, the Creator whom we call God. Whenever I mention the laws of nature, I want you to know that I do have appropriate respect for the Great Creator.

Now, just a few definitions, so that as I proceed with this discussion, we can know that we are talking about the same general subject. *What do we mean by Collectivism?* The dictionary definition states that Collectivism is a form of social or economic or political organization in which control of the means of production and distribution is in the hands of the group or the government as opposed to individual control of the means of production and distribution. And then, *"What do we mean by a system of Economics?"* The dictionary tells us that economics is a study of the way man makes his living, or a study of production, distribution and consumption of goods and services. And now, I am sure, we all agree, that the ideal economy is one in which there are available the greatest amount and

variety of goods and services, available most cheaply to every individual living within that society, at a price he can afford to pay, and what is equally important, in an environment in which the individual is encouraged to produce to his utmost, to grow, to accumulate, to develop his latent, God-given talents. I am sure we would all agree there. But how to achieve that ideal economic state is quite another matter, as I will show you. And on that particular difference, of course, I know will arise many of the questions which you will ask this evening.

And I suggest we go a long way back in this pursuit of what nature has done. The Biologist attempts to look at Nature's processes in terms of her fundamental units, the single plant, the single animal cell. He recognizes that the functions of life, the assimilation and the metabolism of food, its transformation into energy, reproduction, growth, senescence, and death, are essentially the same in the single-celled amoeba and the single-celled plant, as they are in the multi-billion-celled mastodon. And if the biologist can determine certain fundamental principles from the single cell, he knows with reasonable accuracy that he can apply them by analogy to the more complex structures such as you and I happen to be, in the upper biological scale. Of course, we flatter ourselves that we are at the top of that biological scale at the present moment, and I believe we are.

As we go back through Nature's processes, we find that over the intervening eons, some 800,000,000 years of the evolutionary process, she has proceeded by three fundamental steps. First of all: INDIVIDUAL PRE-EMINENCE. In all of the

societies below that of man, Nature picks out the most gifted individuals, and she selects them as those best-fitted to carry on the work of the species. She is not particularly concerned with the species as such, and I recognize that that is somewhat in violation of some of the biological teachings we have had in the past. And yet, a careful scrutiny of Nature's processes will show that her primary interest is in the development of excellence on the part of an individual. The group is used only as a skeletal structure through which the individual is given an opportunity to develop. Secondly, she insists upon INDIVIDUAL RESPONSIBILITY: INDIVIDUAL REWARD FOR INDIVIDUAL MERIT AND INDIVIDUAL PENALTY FOR INDIVIDUAL FAILURE. Nowhere in any of her societies below that of man, does Nature allow or encourage the individual to deny, evade and forego his responsibilities and slough them off to the group. Please remember this as an important fundamental when we come to discuss the appropriate functions of government in modern human society.

And third, the use of GROUP ACTION. Nature is very jealous, very specific in the limitation of the group in all of the animal societies below that of man. She uses the GROUP for one specific purpose only: and that is to protect the individual against the predatory activities of other members of his group or other groups. And that is all there is to it. These three fundamentals are outstanding in Nature's Plan.

Now we hear a lot about Group Action these days; we hear a lot about the KINDS of group ac-

tion that perhaps are beneficial in modern society. Let us take a look at Group Action and some of the manifestations of Collectivism. In the broad general term of Collectivism we include those philosophies of Nazism, Fascism, Communism, New Dealism, State Socialism, etcetera—all forms of Totalitarianism, the important and basic characteristic of which is that the individual is encouraged to deny his responsibility for himself and to transfer that responsibility to the group—that is the State. And as we have seen a moment ago, that Collectivistic idea, denial of individual responsibility, constitutes a fundamental violation of biological law. If we were smart, we would learn to work with that law, and not against it.

Let us see some of the activities history records for the Collectivists who have often had their heyday. And we will go a long way back, because I don't want you people to guess my politics before we get through. Let us go far enough back in history to see some of these early actions—for example, we will go back as far as Hammurabi, the Babylonian law-giver, 2285 B.C. Hammurabi laid down a most elaborate set of controls; price and wage controls, agricultural restrictions, all kinds of controls. And what was the result? He did *not* build up a strong society. Coming down the line a little more, Diocletian, the Roman Emperor, in 301 A.D. imposed a similar set of controls. During the Sung Dynasty, there were the disastrous Wang-an-Shih experiments in China in 1058 A.D. The Incas in Peru in 1200 A.D. evidenced a disintegrating society of the totalitarian variety. The French revolution in 1789 presented another notable instance.

Outstanding among the results and always and invariably occurring when government exceeds its appropriate biological functions, when it interferes with the economic process, these three things have occurred: First, *A precipitate drop in production.* This is exactly what the biologist would expect, because when the individual is relieved of his responsibility, and encouraged to rely upon the group, he ceases to produce with maximum efficiency or altogether, and naturally, the sum total of goods and services drops immediately. Secondly, *There is wide-spread resort to black markets.* This is quite obvious in all of these experiences. And thirdly, *Rampant Corruption.*

Now, governments, from time to time, have sought to curb these tendencies when they have effected political and economic controls upon their citizens, and they have gone to great length. For example, Andrew Dickson White, in his book, "Fiat Money Inflation in France," gives an excellent account of experiences in the French Revolution. And he calls attention to the fact that to prevent black markets at that time, death by the guillotine was the standard penalty. And the result: Black markets and corruption were not one bit curtailed. Human nature, being what it is, the biologist would expect exactly those results.

Let us come down a little further in the corridor of history, and see some of the more recent experiments with respect to the Collectivist's art—that is—forceful intervention in the economic and social process.

The early American Indians were no doubt Communists, as were the Mound Builders. The Pilgrim

Fathers, when they came over on the Mayflower certainly were organized on the Communistic basis following the current Marxian philosophy of "from each according to his ability, unto each according to his need." William Bradford found that after about a year of almost complete starvation it was necessary to change the organization of the Pilgrim Colony in such a way as to reflect individual responsibility. And very soon thereafter, the necessities of life became more abundant.

Alfred Hinds some years ago wrote a book entitled, "American Communities and Cooperative Colonies," in which he dissects and goes into some detail concerning some 200 of these American colonies during the late 1700's, and the early 1800's, based upon the teachings of Robert Owen, the father of British Socialism, and Charles Fourier, originator of the phalanx system in France. These colonies were all on the Socialist plan to provide an environment so that each individual would share equally in the benefits of the community without regard to the individual's contribution—where all pooled their productive assets, and pooled their productive crops and withdrew "In accordance with need." Among the list of colonies will be recalled the Brook Farm Colony outside of Boston, the New Harmony Colony in Indiana, and the Oneida Perfectionists in New York. All of these colonies failed after a short experience or their basic organization was transformed in such a manner as to reflect individual responsibility, and so Hinds could not find a single successful instance of a Collectivistic venture in early and fairly recent America.

And now let us take a little look at more recent government intervention in economics, and we will stay quite a way back of the current date. We will refer to the time of Herbert Hoover in 1928. Herbert Hoover was then President, and Secretary of Agriculture Hyde wanted to do something for the cotton farmer. This is one of the earliest instances of intervention on the part of American government in the economic process. In 1928, the cotton crop accounted for 10 per cent of our national employment. It was the most important crop of the South. It occupied those that grew cotton, those who harvested it, who transported it, and those who transformed it into cloth. At that time cotton sold at 18½ cents per pound. There was set aside a special Stabilization Fund to peg the price of cotton at an uneconomic level. Well, of course, you know what happened. The price of cotton went blissfully on downward without respect whatsoever to our Stabilization Fund. By the time the New Deal came to power in 1933, the price was 5½ cents per pound. FDR plowed under cotton, he burned cotton, he stored cotton, he paid people for not planting cotton, and what was the result? Well, comparatively speaking, in the years 1911 to 1913, the country grew 64 per cent of the world's cotton crop, but by the year 1936, when we had the benefit of all this economic planning, we grew only 37 per cent. But we had not in any manner whatsoever diminished or curtailed the world's production. We had merely allowed our foreign competitors, India, China, Egypt, Brazil, to march in and take over markets of the American cotton farmer, which of course, resulted in considerable unem-

ployment for American employees as a whole. And then we went on down a few years. We slaughtered 6,250,000 little pigs, 875,000 brood cows, et cetera. We plowed under wheat and corn and more cotton. Why? Under the quaint and uneconomic notion that by destroying that which we had and making it difficult, if not impossible, to produce more we should all have a greater abundance of goods and services to enjoy. This is called economic planning. It stems from the conception of scarcity. And, of course, scarcity is absolutely wrong, because scarcity interprets high prices as prosperity, when as a matter of fact, high prices to any economist worth his salt, indicate a relative lack of goods and services, and of course, by that much, a lowering of our scale of living.

Another instance of government meddling in our economic process—I shall mention just a few because I don't want you to think that all I can do is to carp, criticize, and cavil; there is a constructive side to this dissertation—during World War I the government operated the United States railroads. This experience shocked even the docile American taxpayer because the service was indescribably poor and the cost excessive. This cost was about two million dollars a day because of bureaucratic bungling. During World War II the railroads were permitted to continue under private operation and demonstrated their superiority by doing an excellent job of transporting the greatest amount of traffic ever known. In addition, these same railroads under private management paid over two and one-half million dollars daily in federal taxes.

Another instance affecting a large segment of our

population is that of the Veterans' Administration. Some interesting facts have been revealed by the Hoover Commission Report. This Administration costs six billion dollars per year, or about fifteen per cent of the national budget. (Before Korea.) One in every six on the government payroll works directly for the Veterans' Bureau. Comparison of the activities of the Bureau in its insurance department with the activities of private insurance companies with which it is in competition is illuminating. A government clerk clears twelve claims daily. A clerk in a private insurance company doing the same kind of work clears thirty-two cases daily. The average time required to clear a government claim in the Veterans' Bureau is one-hundred and fifteen days. In the private insurance company the average claim is cleared in two weeks. More than nine-hundred and ninety-four pages of regulations govern these activities, in which a claim for completion requires the veteran or his family to fill out sixty-nine forms. The records are often inaccurate or else are destroyed.

And on down the line we might mention lots of these illustrations. We might mention one more point with respect to economic planning. I want to talk for just a minute or two about POWER. Power is a pretty important subject these days—electric power. When we consider the fact that 21 per cent of our power is generated by public agencies, when we consider also that the power industry has for some time had its back to the wall, figuratively, in attempts to fight off further Socialization, I think you and I ought to address ourselves rather aggressively to the dissection of the real facts in con-

nection with the public production of power. We will talk for a moment about the TVA idea. Dean Russell of the Foundation for Economic Education, a year or two ago wrote an excellent little book entitled, "The TVA Idea." In this he explodes many of the fallacies which underlie government production and distribution of power.

Mr. Russell points out that in the Tennessee Valley the competing companies do not have the same advantages, of course, that are enjoyed by the government power plant. The Government power plant has the plant and equipment given to it by you and me as Federal taxpayers. It pays no Federal taxes whatsoever; it faces no charges for amortization, for depreciation, and for new equipment. It pays only 4 per cent in lieu of local and State taxes, whereas the other competing plants must pay all the charges to which the ordinary private companies are subject in any other business and very importantly about 19 per cent in federal, state, and local taxes. Of course, this is not only manifestly unfair, but it gives a distorted picture of the price of production of electric power when it is alleged by the Socialistic proponents of electric power, that TVA and other authorities should stand as a fair yardstick for the cost of power production. Obviously the whole situation is unfair.

Mr. Russell answers a further point. The proponents of public power contend that the reason public power production is necessary is that private enterprise will not do a good job, or will not do the job at all. Mr. Russell refutes that argument beautifully with two instances. He cites the case of the Southern California Edison Company, which has

been operating the Big Creek development in the High Sierras, for some 40 years, providing excellent flood control, dams, sewage disposal, and paying taxes to State and Federal government and paying dividends to the stockholders. Another instance, of course, is the Wisconsin River Valley Authority, doing the same kind of job since 1907.

And last, is a new approach on the part of government toward the development of power in New York State. As you know, there are three bills before the Congress at this time providing for construction of a power plant in New York to take care of new power to be generated over the Niagara River, in terms of a treaty with the Canadian government. Now then, two of the bills provide: one for Federal operation and one for State operation, and the third provides for the five private utility companies in New York to construct the job and operate it privately. It is estimated this job will cost \$350,000,000. If the State or Federal government performs it, that money comes out of your pockets and mine, the pockets of the taxpayers. The private utility companies are ready and able to do this job right now. In addition, if the private companies construct this power facility, it will not cost the taxpayers a cent, and moreover, it will give some \$23,000,000 of taxation into the Federal and State coffers each year. Well now—that is quite a bit. In addition, the dividends received by the holders of stock in the private utility companies will be taxed by Federal and State agencies.

That is just exactly what the biologists would expect when you put government into the production of power. He sees waste, inefficiency, poor busi-

ness management for just one reason: By the direct evasion of the usual restriction placed upon inefficient management, by the fact that government managers are not *required* to make profit, by the fact that you and I, the Federal taxpayers, are always available to have our incomes levied for defaults and deficiencies, by so much, then we are subsidizing waste and inefficiency in the TVA, and in any and all government projects of a like nature. Now the biologist would say that is inevitable because they have avoided Nature's fundamental pin-pointing of responsibility to the smallest unit, whether it be the single-celled plant or animal, or the smallest group in business enterprise. I think that is rather logical.

Now let us talk a little bit more about where we have gone in this Collectivist phase of ours. We have gone quite a way. We will ask the question a little later on how we got that way. Then, "What, if anything, can we do about it?"

Let us take a little look at the experience of Great Britain. As John Flynn so well indicated in his book, "The Road Ahead," a year or two ago, the British Fabian Socialists began in 1883 with the objective of selling the British people, not Socialism, Oh! no, but complete controls under the guise of welfare. The Fabian Socialist Society never had a membership in excess of 4000. Prominent among its members were Annie Besant, the Webbs, George Bernard Shaw, and Ramsay MacDonald. Socialism was never mentioned. But the designs of the British Fabian Socialist Party were gradually to take over the British Social and Economic structure, by first of all, controlling credit, transportation,



light and power, coal and steel, "for the benefit of jobs and standards." Of course, we all know the terrible depths to which the British economy has continued to sink since the Socialist program has been in effect. But, what has that to do with us? There is certainly a deadly and inescapable parallel. They have, of course, our communications system under control, with the Federal Communications Commission. Not so long ago, that Commission came out of a huddle and solemnly announced that only one kind of colored television would be permitted to be developed in this land of yours and mine, America. Just think what would have happened if, in 1902, some comparable authority had said to Henry Ford and the automobile industry, that the only type of cars that would be permitted to be manufactured for an indefinite number of years, would be the Ford planetary transmission. Think what that would have done to automobile improvement during the past 50 years. Of course, we have come a long way down the totalitarian road. Price and wage controls would have been unthinkable 25 years ago, and yet we accept them now because of the alleged emergency which you know and I know could not and should not have any basically important effect on our economic structure if we believed in and practiced the fundamental principles of individualism.

We have had a lot to do with other phases of the citizen's existence. We have come awfully close to telling the farmer what he can plant, and what he can reap, and of course, penalizing him if he does not obey the Department of Agriculture. While I am on that subject, I would like to call your atten-

tion to one very serious danger of agricultural crop subsidies and crop controls. The average farmer is human, just as you and I, and if he is paid for not planting corn, he is going to sit down and not worry too much about his land, because his income is the same. But, remember, if he found it unprofitable to plant cotton or corn under a free economy, then of course, he would bestir himself and attempt to find new and better crops, and as a result of that activity, you and I as citizens, consuming citizens in this economy, would be greatly benefited. Please remember, that only under the free market system, and in the free market alone troublesome surpluses evaporate like snowballs in the sunshine . . . because of the excellent facilities of distribution. Under the present system, the Credit Commodity Corporation has some 3½ to 4 billion dollars of your tax money and mine invested to crops, stored. They don't know what to do with those crops. They are afraid to release them lest they cause a fall in prices which you and I might like—but that would be politically infeasible in an election year, or any other year, for that matter.

Nature is the perfect economist. To the biologist one of her most most amazing and remarkable feats is what is known as the equilibrium of the species. This can best be described by assuming the existence of an island of some considerable magnitude in mid-ocean. For the sake of example, let it be accepted that this island presents considerable areas of good fertile land as well as areas of high elevation, and poor soil where no vegetation grows. In addition, let it be postulated that there is a reasonable water supply by springs, small streams and

recurrent rainfall; further, that the climate is temperate. Given this or any other set of conditions in any geographic area compatible with plant and animal life there will be found at any given time many kinds and varieties of plants and animals. From time to time, depending upon climatic conditions such as rainfall, variation of heat and cold, occurrence of pestilence in plant and animal species, there will develop a variation in the relative and absolute numbers of each plant and animal species living on this island, but that number tends always to return to a state of balance or equilibrium. Nature provides in any given area subsistence and shelter to the greatest number and the greatest variety of species which can possibly be maintained on the food supply available. The law of supply and demand which is so scornfully rejected by our brilliant pseudo-economists is just as changeless as this basic law of nature and is derived directly from it. The law of diminishing returns and Gresham's Law that bad money drives our good money can equally be traced to this equilibrium of the species as it applies inescapably to the free market in human society.

It is by no mere coincidence that there is a striking similarity between the functions and activities of the human body in health and disease and the functions and activities of an aggregation of those bodies into a group called society, sometimes known as the body politic. In fact, to the biologist this parallel is so exact and its implications so obvious that he wonders how economists and politicians have failed for so long to appraise proposed social panaceas in terms of nature's immutable laws.

Nature is an exacting but a just task-master. She insists upon a quid pro quo for every benefit. She abhors the loafer and idler. If a unit in her scheme ceases to function, she destroys it and discards it with promptness. She insists upon a reward for success and a penalty for failure. Her system of accounting is inevitable and never long delayed. The moralist may argue that nature is cruel, relentless, and implacable. Nature's response is to take a look at her record. Can the social engineer show a single comparable success?

Reference was made to the equilibrium of the species and the law of supply and demand as a direct derivative of that mechanism. The law of supply and demand, or more properly the laws of supply and demand, for there are many closely interrelated facets of this structure, when allowed to operate in human society without too much artificial restriction, represents the evolutionary forces of Nature as applied to the specific problem of economics in human society. The free market is the most representative mechanism conceivable for the production and exchange of goods and services. In it millions of producers offer their goods and services for sale and millions of consumers are ready to buy those goods and services when price and the circumstances of such an exchange are agreeable. There thus results what the economist terms an equilibrium price for an article or service. It is another way of saying that as the result of widespread unrestricted competition a price for an article or a service results in which the maximum number of buyers and sellers are willing to make an exchange. In this process inventive genius is stimulated, in-

dustrial know-how is paid a premium price, and every individual living in the economy is benefited because he personally has a vote in what products are finally accepted at a price at which he and his fellow citizens are willing to purchase. While prices under this system vary sharply at times and under changing conditions, there is always under free competition in the free market a tendency toward this equilibrium price which is the price at which the greatest number of producers and the greatest number of consumers meet to exchange their goods and services. This is the exact counterpart of the mechanism by which Nature tends always toward an equilibrium of the species in other societies. There is no troublesome surplus in a truly free market. Nowhere in the history of man has the substitution of artificial controls in any manner approached the efficiency of Nature's method of free competition. As a result, the American people are today and have been for years the best clothed, the best fed, the best housed, of any people in the world.

Well, let us take a look at America for a little bit and ask ourselves if we should be ashamed of our country. I am sick and tired of hearing some of these carping critics complain about my country, and I would like to offer just a few figures gathered from here and there to show how incomparably superior our economic system is to any that has yet been developed anywhere on the face of the globe.

For example, the Russian worker under Communism, can buy one-third of a quart of milk for his hour's labor; the British worker under Socialism

can buy three quarts; the American worker under the Free Enterprise system can buy six quarts of milk. The Russian workman can buy one-half pair of shoes for his week's work; the American can buy six pairs. The Russian workman can buy one-half suit of clothes for a month's work; the American can buy four suits of clothes. We hear much discussion about housing these days. The Russian workman has forty square feet of housing. The British workman has 105 square feet, and the American 410 square feet of housing. There are eighty million American life and annuity policy-holders, and they have in fact, something between 250 and 300 billion dollars worth of self-protection, all brought about through the American system of competitive private enterprise. With six per cent of the world's population on seven per cent of the world's surface, we have eighty-five per cent of the world's automobiles. We consume forty-five per cent of its meat; sixty-five per cent of its corn; sixty per cent of its petroleum. Over seventy million Americans have bank accounts.

Should we be ashamed of America? Oh yes, some of us say. That is very good but what about the average laboring man? Is he benefiting from this? Well, I should say he is. The American Federation of Labor, just before World War II, gave us some excellent statistics, in which they reduced the purchasing power of the average workman to the terms of market baskets of groceries which a workman could buy for his hour's work. The American workmen could buy 3.8 baskets; the British, 1.8 baskets, the Danish 2.18; the Italian, .96 baskets of groceries at that particular time.

During the past fifty years, because of the development and use of better tools, production in America has on the average increased about three per cent per year. A proper question is as to whether or not the laboring man has in fact benefited by this increased productivity. This question is answered by figures recently released by Mr. Joe Hertel, Farm Advisor, University of California College of Agriculture and United States Department of Agriculture, San Bernardino, which speak eloquently on this subject: "In 1929, the average wage earner in the United States received fifty-six cents per hour. In 1951 he received \$1.60 per hour. In 1929 he had to work forty-seven minutes to buy a pound of round steak which required forty-one minutes in 1951. He works twenty-nine minutes now to buy a pound of pork chops for which he labored thirty-nine minutes; nine minutes to buy one quart of milk as compared to fifteen minutes; twenty-one minutes to buy one pound of poultry meat in 1951 compared to forty-one minutes in 1929; and, only twenty-five minutes to buy a dozen eggs for which he labored fifty-four minutes in 1929; and, he gets one pound of turkey for twenty-two minutes of work as compared to fifty-five minutes in 1929."

So much for living standards.

Some of you are saying in your hearts, this man is talking the old-fashioned "*laissez-faire*," the outmoded jungle economics, the barnyard morals of twenty-five or thirty years ago. He forgets the world is changed. . . . But does he? I would like to give you my conception of the credo of the Modern Individualist. And if I knew how, with the tongue

of a Demosthenes, I would certainly express that credo in words that would write themselves upon your soul, because that credo is a vital living powerful philosophy that merits top priority as a basis for effective action today.

Henry C. Link in his new book, "The Way to Security," dwells at some considerable length on this question of security. And he says that first of all, security must be personal and spiritual before it can be material. And he deals with this problem of individualism, states that the mature character is the rugged individualist, rugged in his self-reliance but equally rugged in his adherence to basic principles of right and wrong. And that is the fundamental of the Modern Individualist, as I should like to present it to you here and now.

The Modern Individualist knows full well, that in order to be respected himself, he must respect the rights and privileges of his fellow. He knows full well, that to command respect, he must respect himself. And in order to respect himself, he must depend on no one but himself for his own welfare.

What about the position of the *unfortunate*, in this philosophy of the Modern Individualist? Do we fail to take due cognizance of the individual who cannot work, the outcast from industry, if you please—the poor, the aged, the diseased? I think we *do* care. And by contrast, let us see what the Collectivist does with these outcasts of the social and economic structure. You recall, of course, that in Hitler's Germany, charity drives of a sort were held from time to time, but they were for the aggrandizement of the Hitler Nazi party, and not for the benefit of any individuals; and don't forge

it was one of the basic traditions of Nazi Germany, and no doubt, it has been for all Collectivist regimes from time immemorial — that the old, the decrepit, those no longer able to produce, should in some way be destroyed! The Modern Individualist sees nothing like that in his Credo. He respects the right of every individual to develop, to enjoy, under the greatest system that the world has ever known. And if we, as intelligent individuals utilize our productive capacities intelligently and cleverly, there is no reason why we cannot produce vastly more than we are doing at the present time, and as a result of that increased production, care for all of our unfortunates, for all of our injured, and for all of our senior citizens, without imposing any undue burden upon the economic system whatsoever.

Just as a little proof of that, James Lincoln of the Lincoln Electric Company in Cleveland, has brought forth some new and revolutionary ideas recently. I have just read a book that he published in September. He calls it "Incentive Management." Mr. Lincoln makes much of the fact that every individual wants to be recognized. He wants not only the good things of this world, the automobile, the steak and potatoes, the clothing, the fine things for his family. He wants to be recognized by his fellows as having made some distinct and definite contribution. And so Mr. Lincoln has arranged in his electric plant there a system of production compensation based on piece work, but in addition, he has arranged an atmosphere in which an individual is treated as a human and is encouraged to produce to his utmost. Some amazing results are reported

by Mr. Lincoln. Worker productivity in the Lincoln plant increased over five times as much as throughout other manufacturing as a whole. The cost of production as a percentage of net sales was about one-third of that in comparable industries and worker turnover was reduced to a minimum.

And now, one more question or two, and we will let you ask the questions. As a result of these excursions into the field of biology and economics, you are naturally asking, "What are the appropriate functions of government?" And I shall attempt to give you my answer. That is a subject to which minds far better than mine have addressed themselves since probably before history began, 6,000 years ago. And probably the most comprehensive work on that subject was Plato's *REPUBLIC*, written 400 years B.C. Plato called his "Republic an Inquiry Concerning Justice." And Plato attempted to define justice by erecting the ideal state because he said the ideal state would be ruled by wise, courageous, temperate, and just men. And when he found the ideal state, he expected to find justice as the predominating characteristic of at least, the rulers. Now Plato did not go into great detail as to how much power the rulers should have. But he did imply that these rulers should have a sufficient power to make the state as nearly perfect as possible. Plato believed, incidentally, that the Perfect State existed in heaven.

Coming down the years a little more in retrospect, there have been many treatises written on government: "The Leviathan," by Thomas Hobbes about 1600, for example. Thomas Hobbes first developed the idea in reasonably modern history

that it is necessary for man to have a contract with some external agency for his own self-protection. Otherwise, you and I will fly at each other's throats, and we will get nowhere, we will live in a state of chaos. But Hobbes contended that once that contract is made with a governmental agency, you and I, the citizenry who made the contract, have no right to change the terms. And that was rather drastic. A little later, John Locke, who by the way was a physician, writing about 1665, wrote his two essays on Civil Government. He did agree with Hobbes that a contract was necessary for the protection of citizens against each other, but he made this further contribution. He contended, once the contract was made, that the people who made the contract, have a perfect right to break the contract providing those who govern us do not govern us with justice and reasonable decency, and in what we think are our best interests. Based upon the ideas set forth in Locke's work arose the idea of government with and by the consent of the governed, and that was, indeed, the basis upon which our Founding Fathers, in their Declaration of Independence and the Constitution of our country, builded. I think John Locke was on very firm ground.

Herbert Spencer, writing about 1885, listed the four fundamental proper functions of government as follows:

1. The enforcement of the fulfillment of contract.
2. The punishment of fraud.
3. The provision of Justice.
4. The protection against foreign invasion.

That is—the exercise of the police force.

Thomas Jefferson said, "Restrain men from injuring one another, but leave them otherwise free to follow their own pursuits." And Adam Smith, who did not have the advantage of our modern knowledge of biology, particularly microscopic biology, said that if a man is left perfectly free to follow his own pursuits and invest his capital as he sees fit, not only does he work to his own best personal advantage, but as a result of such freedom, all of society will achieve the greatest benefit. Because, of course, Adam Smith, well knew, as we know now, that the only way to achieve benefits for society as a whole is to permit and encourage the gifted to contribute and produce to their utmost.

And so in summary, I will say, that biologically at least, and from the standpoint of past history, the only justifiable function of government is to protect the individual in the enjoyment and the accumulation of the fruits of his labor. We have come a long way from that, haven't we? Are we sure we want to do anything about it?

I have just one more question to answer. How did we get that way? Now I know there are several teachers in the audience this evening, and in answering this question, I want to go on record as saying that our teachers are among the most constructive citizens of our community. Any statement I make concerning teachers and the teaching profession is not intended and is not to be construed as a blanket indictment. Not long ago, I picked up a textbook that my young daughter was studying on the campus of the University of Southern California. It is called, "Economic Planning," by the Professor of Economics at Harvard University, Sey-

mour Harris. And one of the startling statements in this textbook is this: "*Capitalism is just a temporary way-station between feudalism and the Socialist State.*" That is the essence of Socialist planning. They do not talk Socialism for our children in classes. They talk economic planning. Now the practice of planning is not so unusual. Most of us make plans for everything we do. Perhaps you did a little planning to come to this meeting this evening. But that is not what the modern economic planners mean. They mean plans made by the Bureaucrats for you and me. And when sufficient plans by sufficient Bureaucrats have been implemented by sufficient authority, there is no freedom left whatsoever. And that, of course, is the goal of our modern economic planners. I maintain that some of our teachers and the philosophies they have been teaching have been responsible, in part at least, for the fact that we have come a long way down the Collectivistic trail. The Collectivist has nothing to offer except a means of allocating the blessings and benefits of poverty. The Collectivist has no single record for success in any society constructed under his plans unless of course you wish to designate the Russian Plan a success. And historians tell us that there have been at least 2500 plans offered by the Collectivists during the 6,000 years of recorded history.

Henry Grady Weaver tells us in his book, "Main-spring," that during the 6,000 years of recorded history, there has been only one little spot on the earth's surface where hunger and want have not been accepted from time to time as a permanent condition—and that is our own America. And he

points out that it is not because of our vastly greater natural resources (other countries have vastly greater natural resources than we), but because we have respected the individual, we have encouraged him to produce, to contribute, and to grow.

And so in conclusion, what can you and I do about this if we want to stem this trend toward collectivism? I assume that you have gone along with me, and agree that America should not be collectivized, and you would like to reverse the trend. In the first place, we can learn how our economic system works. We can learn for example, it requires about \$19,000 to provide a job in industry. And there are only two sources of that money: one is *you*, the private stockholder, in which case you have some control of the way that money is spent by the corporation in which you buy shares of stock—and there you have the private system of competitive enterprise. And two: of course, is the Government. If the government furnishes jobs, the government holds control. And that is Socialism, pure and simple.

A survey conducted recently by a reputable agency was designed to show how our American people think about our American corporate structure. It found that about sixty per cent of our people think that the average corporation makes seventy-five per cent on the sale of a dollar. They are also perfectly willing to have the corporation make ten per cent. They think that would be very fair. Now, here are the facts. In good years, the corporations make about four and one-half per cent. In bad years, they go into the red. It is that kind of

economic misinformation that you and I must dispel. We must believe in America. We must know how she works. We must know about her incomparable advantages. We must realize also that our system is not perfect. It needs many changes, improvements of all kinds. But it does contain within itself the germs of rapid, continuous, and upward progress. And that is the most important fact of all.

And now finally, we do live in a universe of law. That law has been set forth by a Power much higher than you and I. That law has been operating for millions of years. It is not subject to change, certainly by you or me. As men and women we can learn to live by that law. I think it is fortunate that the great Creator has seen fit to give us the intelligence to understand that law. By it, the Modern Individualist sees in his creed and its implementation the only possible way to enlist the total man, with all of his almost infinite capacity for the production of physical goods and services, for the recognition and advancement of moral values, and for the appreciation of spiritual meanings and his power of compassion for his fellows, in the solution of the problems of every-day living.

Certainly, the Collectivist has no comparable advantage to offer whatsoever with his system. Because his system regiments, stultifies and ultimately destroys the individual, the societies he constructs are always plagued with poverty, hardship, and human misery. His planning never creates a strong society capable of long defending itself against its enemies from without or from within because he blindly refuses to consider the unalterable characteristics of the human individual.

The Modern Individualist believes in his fellow as well as in himself. He seeks and achieves an economy of full employment, ever expanding production, high wages, and fair distribution based not upon the repeated errors of government intervention, but upon fundamental and unalterable biological law, which is aeons older than the hills and at the same time fresher and brighter than the headlines of tomorrow morning's newspaper.

In closing, I would like to give you one little statement from the poem by Rudyard Kipling which is so often quoted by Winston Churchill:

"Ancient right unnoticed as the breath we draw,  
Leave to live by no man's leave, underneath the  
law."



Special items of interest which may be obtained for those wishing to gain further information, include the following publications:

- "Stupidity, Treason or Irrationality," by Alfred Kohlberg;  
25c single copies; 10 or more at 10 for \$1.00.
- "Unmasking the Welfare State," by Dr. James W. Fifield, Jr.;  
25c single copies; 10 or more at 10 for \$1.00.
- "Moscow's Red Letter Day in American History," by William La Varre; 25c single copies; 10 or more at 10 for \$1.00.
- "What Lies Behind Korea," by Congressman Walter H. Judd;  
25c single copies; 10 or more at 10 for \$1.00.
- "Can America Be Trusted?" by Alfred Kohlberg;  
25c single copies; 10 or more at 10 for \$1.00.
- "A Return to American Principles,"  
by Adm. Leslie E. Gehres (ret.); 25c single copies; 10  
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- "San Antonio Speech," by Congressman Martin Dies;  
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Marshall," by Senator Joseph McCarthy;  
\$1.00 single copies.
- "Senator McCarthy," by Kenneth Colegrove, Professor of Po-  
litical Science, Northwestern Univ.; 10c single copies.
- "Away From Freedom," by Orval Watts; \$1.00 single copies.
- "While You Slept," by John T. Flynn; \$2.50 single copies.
- "Shall We Collectivize America?" by L. A. Alesen, M.D.,  
President-Elect California Med. Assn.; 25c single copies;  
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